

City of South Bend



2016 Opening Budget Presentation
August 17, 2015

Context for the 2016 City Budget



- **Growth and strength** – South Bend’s economy and population are growing & civic energy is high, while financial reserves remain healthy
- **Fiscal limitations** – despite economic growth, property tax revenues are flat while personnel costs are rising
- **Major initiatives on track** – major initiatives like GVI, Vacant and Abandoned Properties, and Smart Streets are proceeding with funding form 2013-2015



Vision Principles for 2016 Budget



Continuing our Comeback

- **Inclusion** - ensure everyone shares in progress on jobs, safety, and quality of life
- **Innovation** - use updated practices and technologies to deliver better services more cost-effectively
- **Sustainability** – manage costs and investments to sustain long-term fiscal stability



2016 Budget Kickoff Council Priorities



- Economic Development & Job Training
- Public Safety, Neighborhood Patrols & Shot Spotter Program
- Investment in Parks
- Neighborhood Infrastructure (Curbs, Sidewalks, Light Up South Bend Program)
- City Corridors (Western Avenue & Lincoln Way)
- In-Fill of Lots for Vacant & Abandoned Housing
- Code Enforcement (Illegal Dumping, Graffiti & Grass Program)
- Diversity in City Workforce at All Levels



2016 Budget Highlights



- **Economic development, jobs and workforce development**
 - \$50 million (inclusive of TIF and Enterprise Funds) for Community Investment
 - Ignition Park development
 - \$70,000 for SMART workforce training program with Work One and Ivy Tech
 - Up to \$50,000 for Bridges Out of Poverty Employee Resource Network
 - New dual-credit firefighter training program with the SBCSC and Ivy Tech
- **Public safety**
 - \$76,365,255 for Police and Fire, 25% of overall City budget
 - \$165,000 for Shot Spotter
 - New Senior Human Resources Generalist to focus on Public Safety
 - New Hazardous Materials Response vehicle to replace aging truck over 25 years
- **Appropriate compensation**
 - Raising minimum wage for city employees to \$10.10 over three years.
 - Using efficiency gains to enable a 2% increase to salary caps for all non-bargaining employee groups
 - Accommodating a 20% increase in health insurance charged to all departments
 - Consolidating temporary, part-time positions to create 5 full-time solid waste pickers



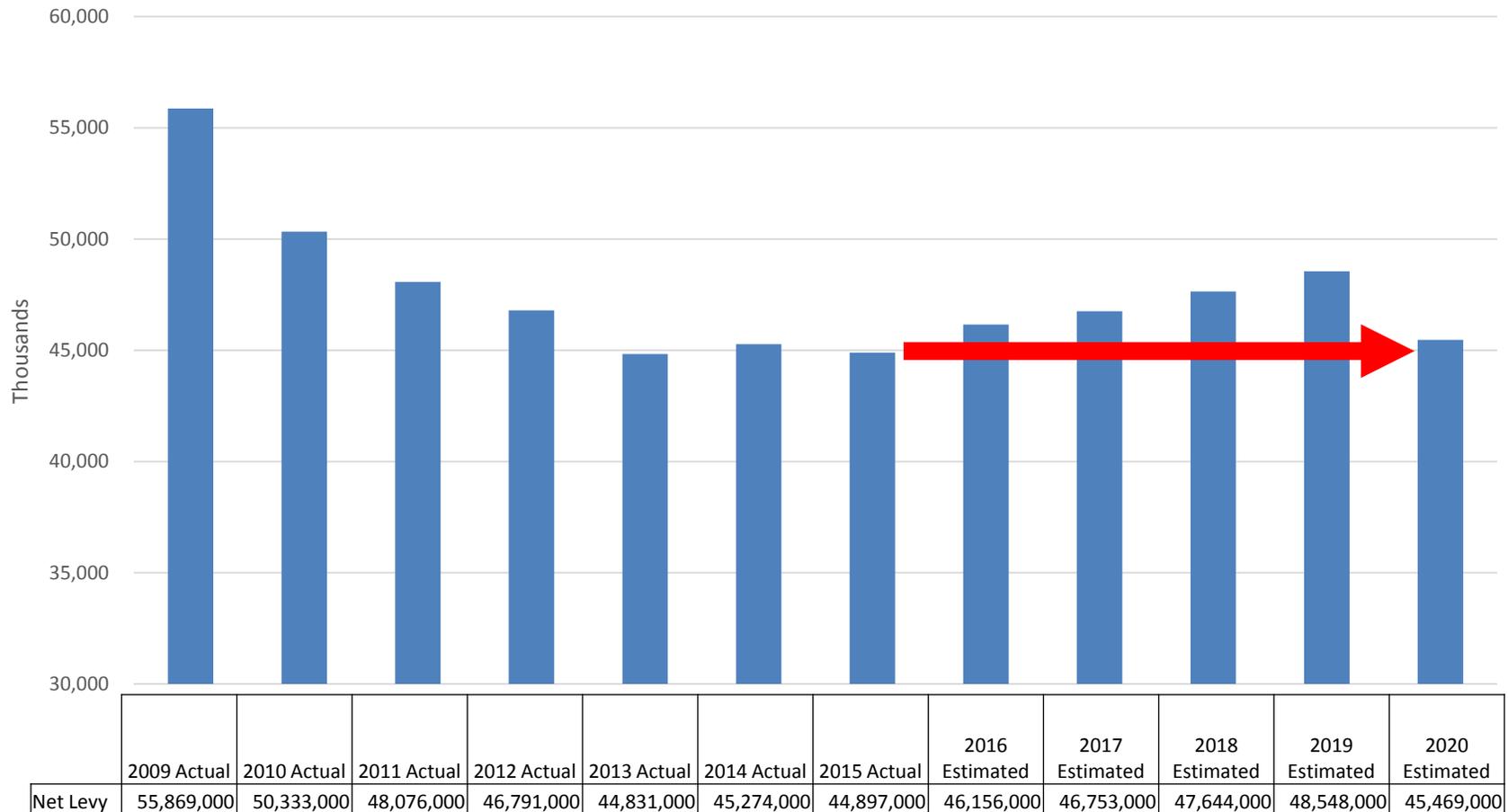
2016 Budget Highlights (cont.)



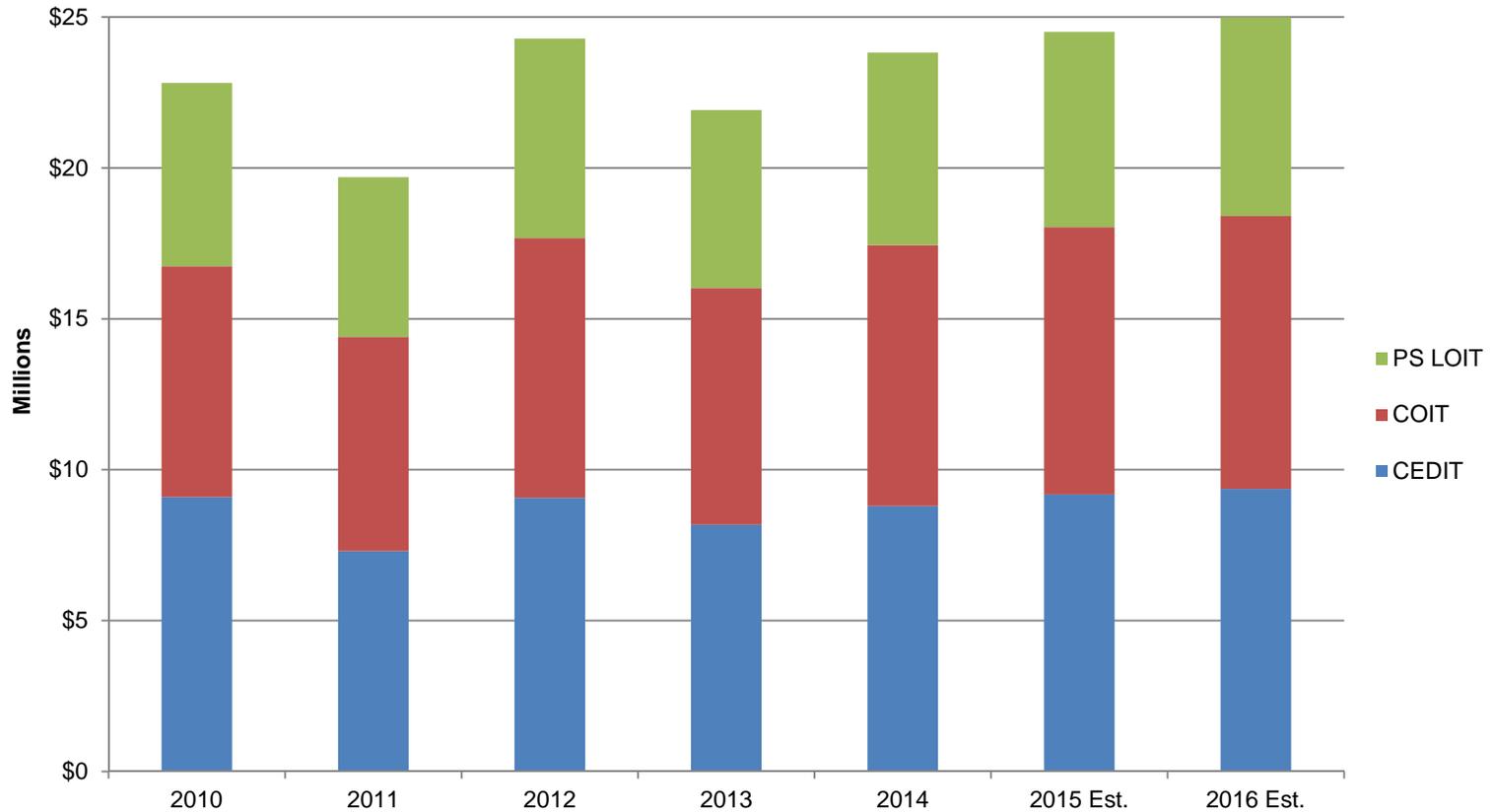
- **Diversity, inclusion, and opportunity**
 - New Diversity and Inclusion Officer to drive strategic initiatives across the Administration and perform duties of former Diversity Compliance Officer
 - Municipal IDs available to every City of South Bend resident
- **Better, more efficient services through innovation**
 - \$3.2 million for Office of Innovation and Information Technology
 - Innovative financing to leverage minimal taxpayer dollars to unlock \$5M of energy efficiency renovations at Century Center
- **Sustainable fiscal path**
 - Balanced budget for General Fund
 - Keeping other funds on track for long term balance
- **Investing in neighborhoods**
 - \$1,088,750 on Vacant Properties
 - \$200,000 on Light Up South Bend
 - \$750,000 on Curbs and Sidewalks
 - \$228,000 (net of \$192,000 matching grant from State) on Safe Routes to School
- **Parks & recreation for quality of life**
 - \$188,000 on Made Men Youth Mentoring Program
 - Major upgrades planned for Howard Park Ice Rink and Charles Black Center using 2015 EDIT Park Bond Funds.



Flat Projected Property Tax Revenues Due to State Circuit Breakers

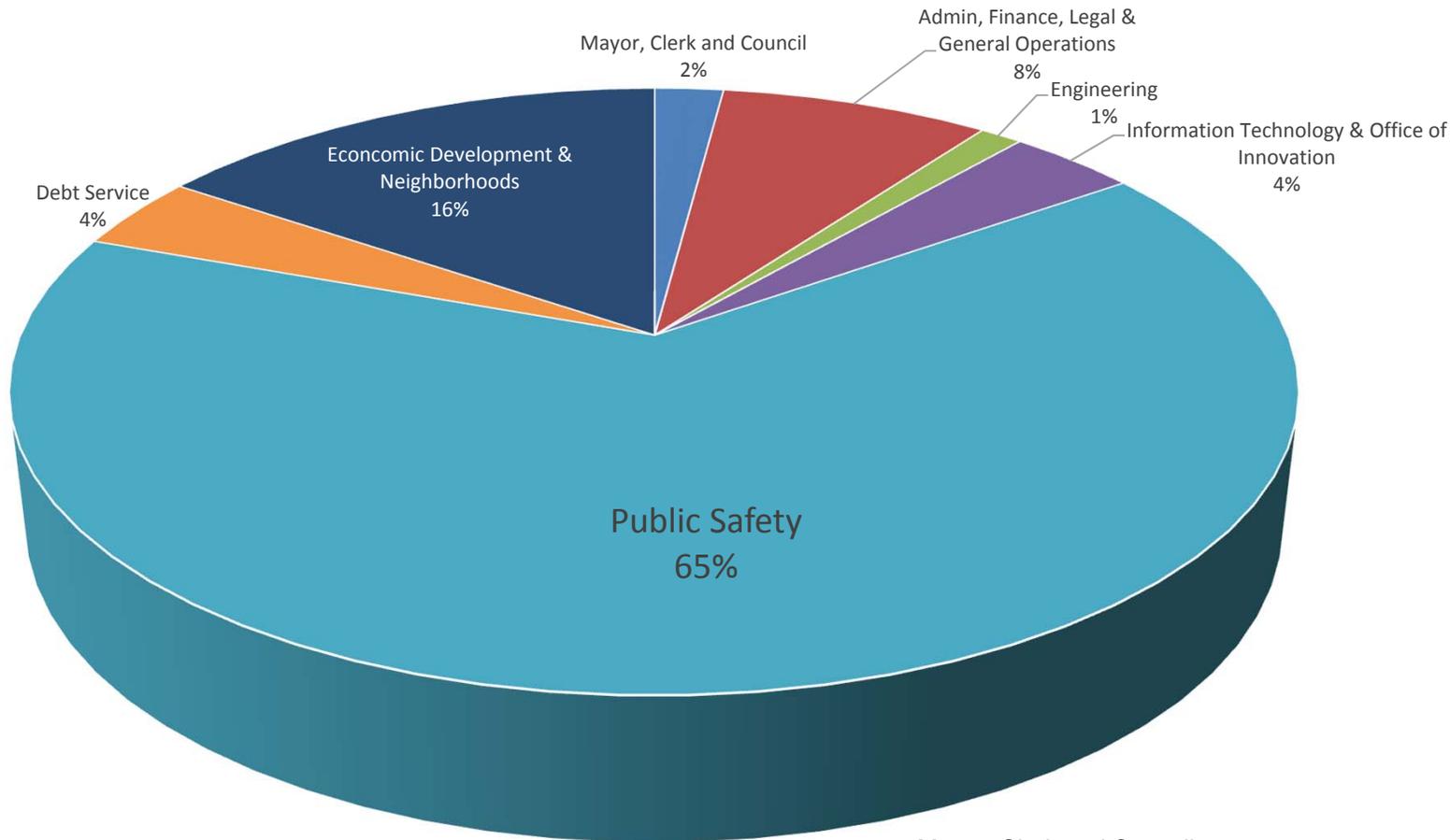


Local Income Tax Revenue Trends 2010 - 2016



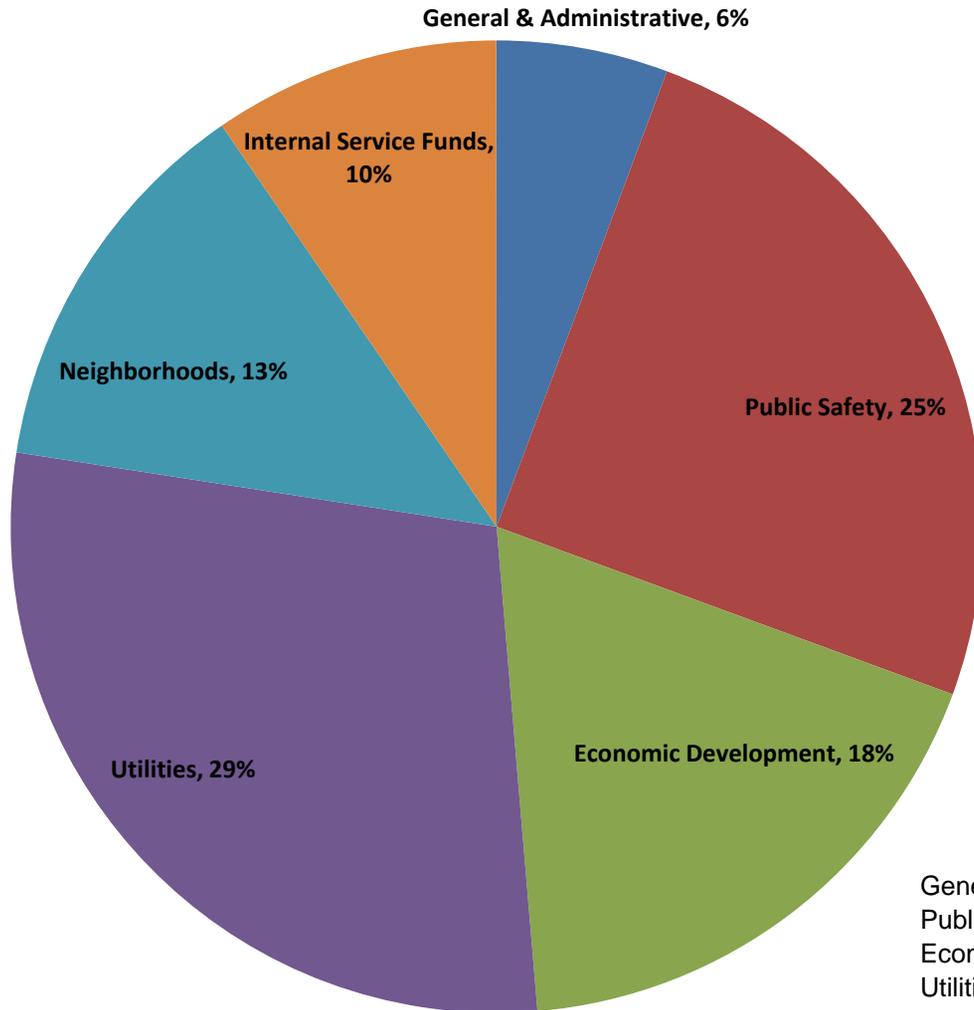
Year	CEDIT	COIT	PS LOIT	Total
2010	9,090,415	7,648,824	6,078,454	22,817,693
2011	7,300,866	7,097,462	5,293,619	19,691,947
2012	9,068,785	8,610,742	6,605,601	24,285,128
2013	8,177,352	7,846,939	5,892,386	21,916,677
2014	8,796,821	8,645,811	6,380,029	23,822,661
2015 Est.	9,181,206	8,859,912	6,466,190	24,507,308
2016 Est.	9,364,830	9,037,110	6,595,514	24,997,454

General Fund, PS LOIT, COIT & EDIT 2016 Proposed Expenditures By Department



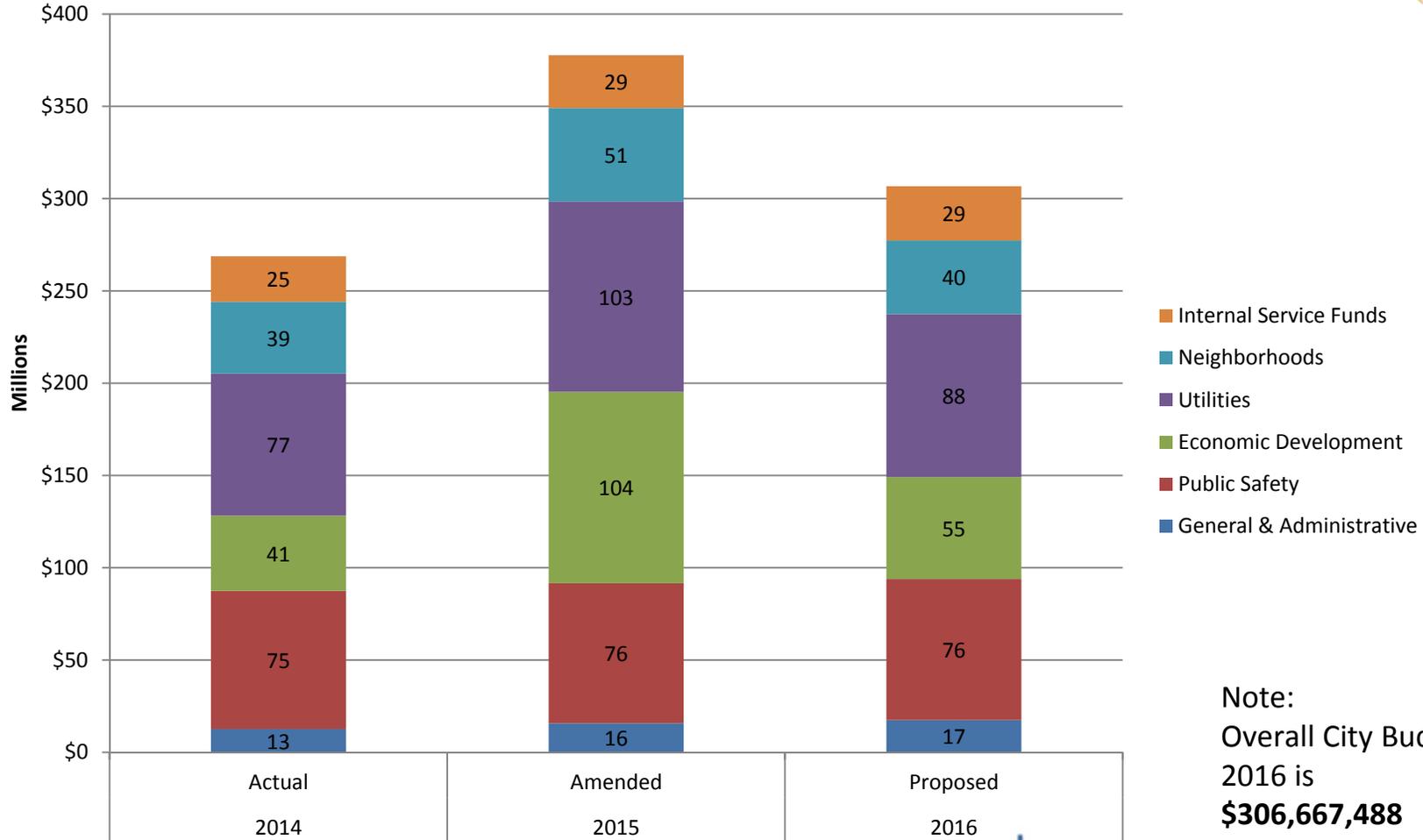
2016 Preliminary Budget	
Mayor, Clerk and Council	\$ 1,704,623
Admin, Finance, Legal & General Operations	6,691,006
Engineering	1,058,127
Information Technology & Office of Innovation	3,196,056
Public Safety	54,151,958
Debt Service	3,275,694
Economic Development & Neighborhoods	12,866,899
	<u>\$82,944,363</u>

2016 Budgeted Expenditures Across All Funds



	2016 Proposed Budget	2016 Percent of Total
General & Administrative	\$17,486,855	6%
Public Safety	76,365,255	25%
Economic Development	55,364,655	18%
Utilities	88,271,957	29%
Neighborhoods	39,843,887	13%
Internal Service Funds	29,314,879	10%
Other Costs	20,000	0%
Total Expenditures	\$306,667,488	100%

2016 Proposed Expenditures Across All Funds

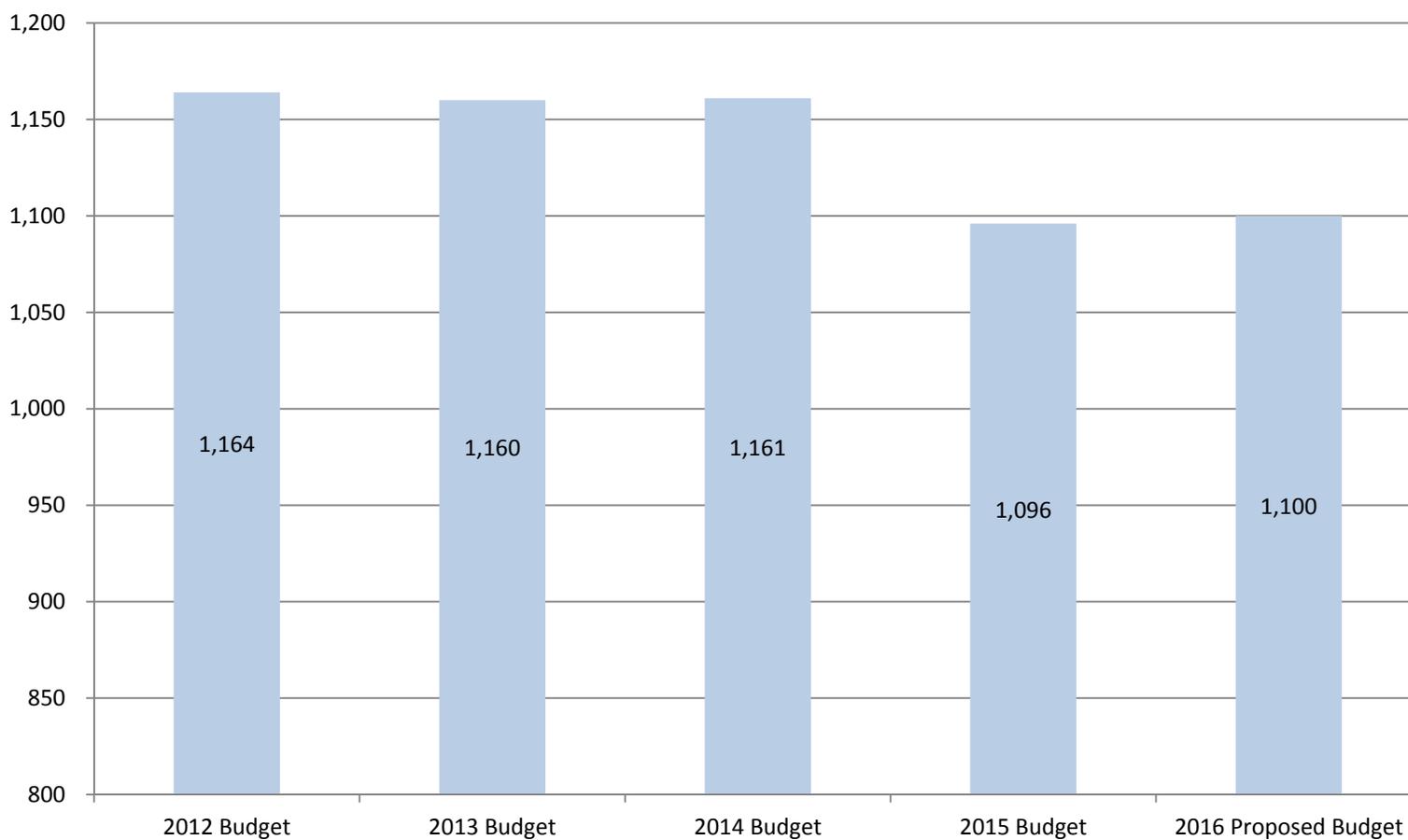


Note:
Overall City Budget for
2016 is
\$306,667,488

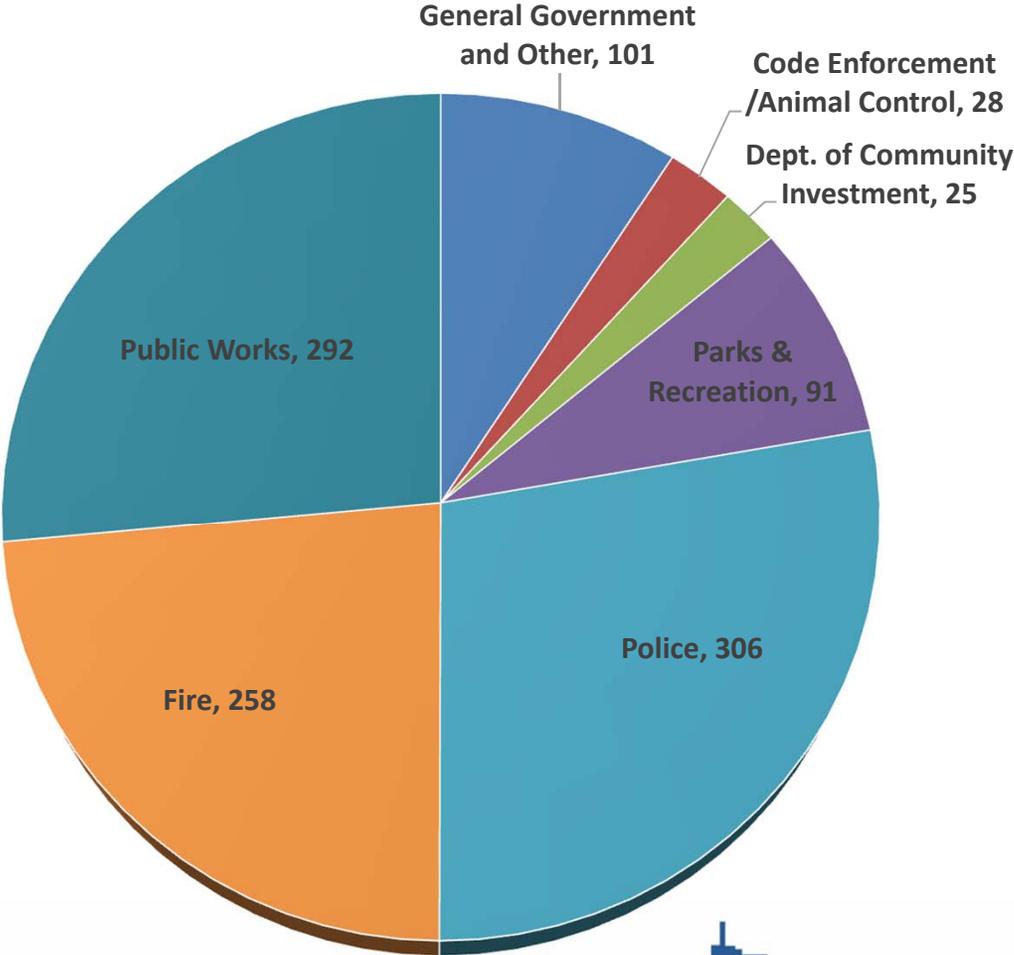




Budgeted Full-Time Positions



2016 Budgeted Full-Time Headcount Summary



City of South Bend 2016 Proposed Budget Concluding Thoughts



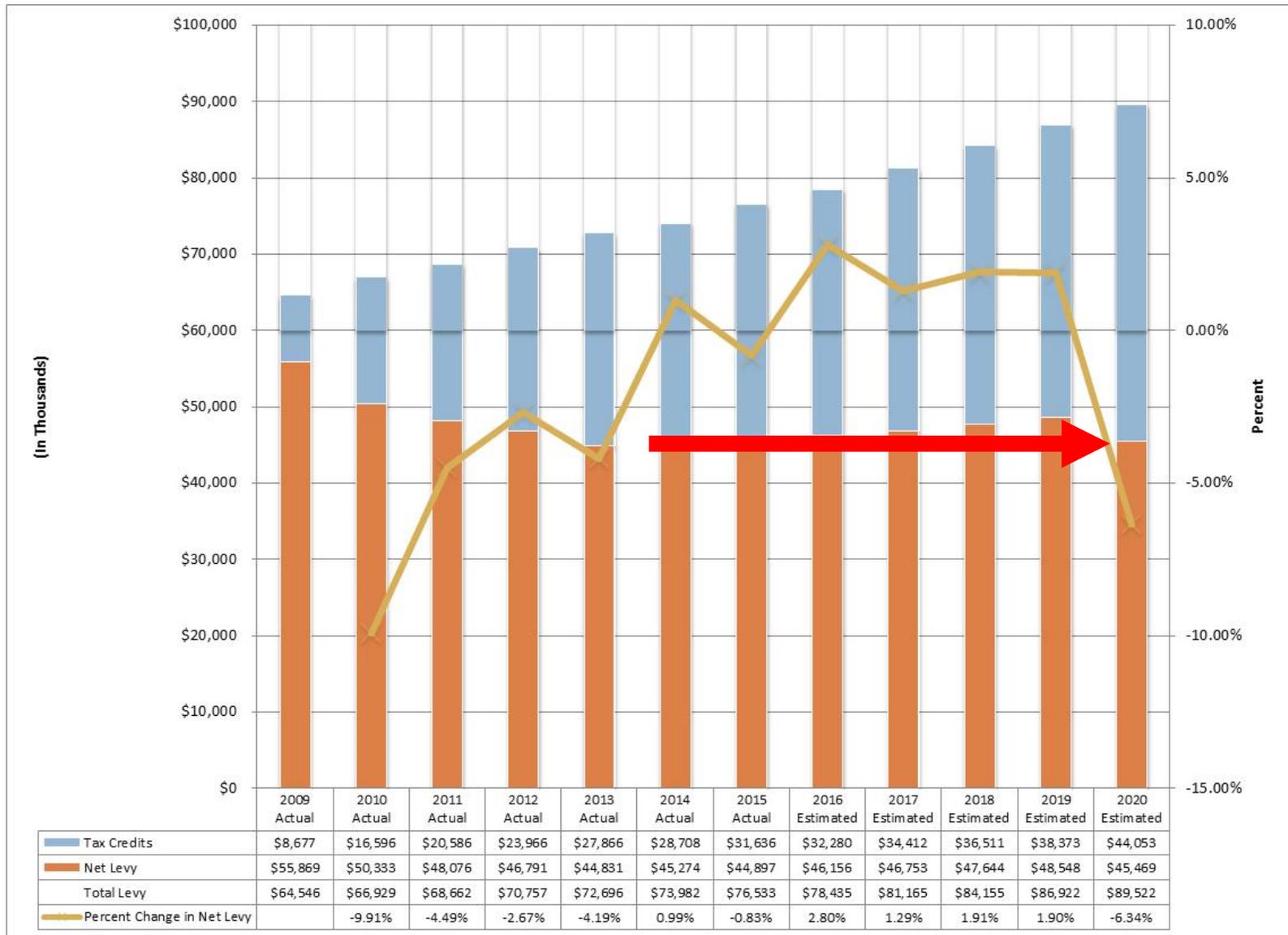
- Overall City budget of \$306.7 million
 - reduced overall expenditure from 2015 due to lower capital spend
 - expenditures higher than revenue mostly due to timing of bond proceed usage for infrastructure investments
- General Fund budget of \$53.8 million is balanced (slight surplus)
- Reliance on COIT and EDIT to sustain key expenditures, while moving toward long-term balance
- City budget maintains our city's comeback through:
 - continued investment in our neighborhoods, city center, and people
 - use of technology and efficiency to drive results
 - maintaining resources needed to keep high levels of service
 - measuring our performance for continuous improvement
- We respectfully ask Council to approve our 2016 budget request



Appendix



Flat Projected Property Tax Revenues Due to State Circuit Breakers



Flat Projected Property Tax Revenues Due to State Circuit Breakers Levies for TIF

